

BUDGET IN BRIEF



COLORADO GENERAL
ASSEMBLY

JOINT BUDGET COMMITTEE

FISCAL YEAR 2007-08

**STATE OF COLORADO
JOINT BUDGET COMMITTEE**

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Steve Johnson



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John Ziegler

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We are pleased to present the annual Budget in Brief, which includes financial facts and other information about Colorado government agencies and programs. The purpose of this booklet is to answer some of the most frequently asked questions about the state budget. More detailed information regarding state funding decisions made during the 2007 legislative session is available in the Fiscal Year 2007-08 Appropriations Report.

We hope you find this Budget in Brief helpful. We would appreciate any feedback regarding the format, the information included, and suggestions for future editions.

Sincerely,

SIGNED

John A. Ziegler
Staff Director

TABLE OF CONTENTS

Introductory Information:

Glossary	1
State Operating Budget	3
General Fund Revenues	5
Cash Fund Revenues	6
State Employees	7
General Fund Appropriation Limit	8

Summaries by Department:

Agriculture	9
Corrections	10
Education	11
Governor	13
Health Care Policy & Financing	14
Higher Education	16
Human Services	18
Judicial Branch	20
Labor & Employment	21
Law	22
Legislative Branch	23
Local Affairs	24
Military and Veterans Affairs	25
Natural Resources	26
Personnel & Administration	27
Public Health & Environment	28
Public Safety	29
Regulatory Agencies	30
Revenue	31
State	32
Transportation	33
Treasury	34
Capital Construction	35

Department Contact Information:

Legislative Liaisons	36
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GLOSSARY

Capital Construction Fund: Fund into which General Fund and Lottery Fund transfers for capital construction purposes are deposited. This fund is used to build, renovate, and repair state buildings, to purchase major equipment, and to acquire land. Appropriations from this fund are exempt from the provisions of Article X, Section 20 of the Colorado Constitution, also known as the Taxpayers Bill of Rights (TABOR), because they authorize expenditures from a reserve.

Cash Funds: Separate funds set up to receive earmarked revenues, such as fees and fines. These funds typically pay for the programs for which the revenues are collected. Examples are the Wildlife Cash Fund and the Disabled Telephone Users Fund.

Cash Funds Exempt: Cash funds appropriations that are exempt from the provisions of TABOR. Appropriations paid by donations or from reserves in a cash fund are exempt. Similarly, appropriations providing spending authority for funds transferred from another department are also reflected as cash funds exempt.

Federal Funds: Funds received from the federal government. Some federal funds are grants for limited purposes. Other federal funds support ongoing state-federal programs and may require state matching funds. Examples of programs requiring a state match are Medicaid and highway construction. Federal funds are exempt from the provisions of TABOR.

FTE: Full-time equivalent (one position filled all year).

General Fund: Fund into which general tax revenues, such as state sales and income taxes, are deposited. The General Fund is used to pay, in whole or in part, for state programs that benefit a majority of state citizens, such as education and corrections.

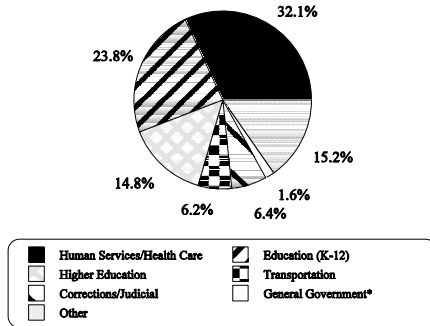
General Fund Exempt: TABOR places restrictions on the amount of total General Fund and cash funds that can be collected, and consequently spent, by the State. Certain General Fund revenues are exempt from these provisions. There are currently two sources of General Fund Exempt revenues. First, tobacco tax revenues received pursuant to Article 10, Section 21 of the Colorado Constitution and deposited into the General Fund are counted as General Fund Exempt. Second, in November 2005, voters approved Referendum C, which authorizes the State to retain and spend money in excess of the TABOR limitations for five years. These moneys must be deposited in the General Fund Exempt Account and be appropriated for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects.

General Fund Exempt from the Six Percent Limit: Section 24-75-201.1, C.R.S., restricts the annual increase in state General Fund appropriations to the lesser of five percent of state personal income or six percent over the total General Fund appropriations of the previous fiscal year. There are three specified exemptions to the six percent, or "Arveschoug/Bird", limit: appropriations due to federal law requiring a new program or service or increase in the level of service for an existing program; those due to a state or federal court order requiring a new program or service or increase in the level of service for an existing program; and those funded from an increase in taxes or fees approved by voters. For more information, see Appendix H of the FY 2007-08 Appropriations Report.

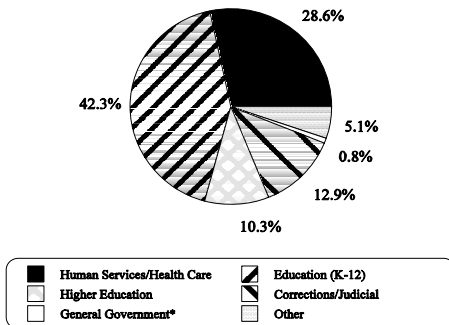
Long Bill: Colorado's annual general appropriations act.

STATE OPERATING BUDGET FY 2007-08

All Funds = \$17.11 billion



General Fund = \$7.24 billion



*Includes the Governor's Office, the Legislature, and the Department of Personnel.

Totals may not sum due to rounding.

State Operating Budget - FY 2007-08
(\$ in millions)

<u>Funding Source</u>	<u>Total</u> <u>Approp.</u>	<u>% of</u> <u>Total</u>
General Fund	\$7,236.0	42.3%
Cash Funds	668.4	3.9%
Cash Funds Exempt	5,341.5	31.2%
Federal Funds	<u>3,859.5</u>	<u>22.6%</u>
TOTAL	\$17,105.4	100.0%

<u>Program</u>	<u>Total</u> <u>Approp.</u>	<u>% of</u> <u>Total</u>
Human Services/Health Care	\$5,487.8	32.1%
Education (K-12)	4,068.6	23.8%
Higher Education	2,525.2	14.8%
Corrections & Judicial	1,092.0	6.4%
Transportation	1,062.1	6.2%
General Government*	277.8	1.6%
Other	<u>2,591.8</u>	<u>15.2%</u>
TOTAL	\$17,105.4	100.0%

<u>Program</u>	<u>General</u> <u>Fund</u>	<u>% of</u> <u>Total</u>
Education (K-12)	\$3,064.2	42.3%
Human Services/Health Care	2,066.3	28.6%
Corrections & Judicial	934.3	12.9%
Higher Education	746.2	10.3%
General Government*	55.2	0.8%
Other	<u>369.7</u>	<u>5.1%</u>
TOTAL	\$7,236.0	100.0%

*Includes the Governor's Office, the Legislature, and the Department of Personnel.

Totals may not sum due to rounding.

**State General Fund Revenues - FY 2007-08
Estimate* (\$ in millions)**

<u>General Fund Sources</u>	<u>Amount</u>	<u>% of Total</u>
EXCISE TAXES:		
Sales	\$2,117.4	27.5%
Use	179.6	2.3%
Cigarette	44.9	0.6%
Liquor	35.1	0.5%
Tobacco Products	<u>13.4</u>	<u>0.2%</u>
TOTAL EXCISE TAXES	\$2,390.4	31.1%
INCOME TAXES:		
Net Individual Income Tax	\$4,956.8	64.4%
Net Corporate Income Tax	451.9	5.9%
Less Amount to State		
Education Fund	<u>(401.9)</u>	<u>(5.2)%</u>
TOTAL INCOME TAXES	\$5,006.8	65.1%
OTHER SOURCES:		
Insurance	\$187.8	2.4%
Investment Income	36.7	0.5%
Court Receipts	28.1	0.4%
Gaming	23.8	0.3%
Pari-Mutuel	3.0	0.0%
Estate	0.4	0.0%
Other	<u>16.4</u>	<u>0.2%</u>
TOTAL OTHER SOURCES	\$296.2	3.9%
GROSS GENERAL FUND**	\$7,693.4	100.0%

* Source: Colorado Legislative Council Staff's March 2007 Economic and Revenue Forecast. This forecast was used as the basis for the FY 2007-08 budget.

** Totals may not sum due to rounding.

**State Cash Fund Revenues - FY 2007-08
Estimate* (\$ in millions)**

<u>Cash Fund Sources</u>	<u>Amount</u>	<u>% of Total</u>
Transportation-Related **	\$880.4	40.4%
Unemployment Insurance Trust Fund	485.4	22.3%
Severance Tax	154.7	7.1%
Limited Gaming Fund	127.3	5.8%
Insurance-Related	69.4	3.2%
Regulatory Agencies	53.3	2.4%
All Other	<u>410.7</u>	<u>18.8%</u>
 TOTAL CASH FUND REVENUES***	 \$2,181.2	 100.0%

* Source: Colorado Legislative Council Staff's March 2007 Economic and Revenue Forecast.

** Transportation-Related Revenues include Highway Users Tax Fund (HUTF) revenues and other miscellaneous revenues.

*** Totals may not sum due to rounding.